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## Grace announces 2nd quarter sales gain

W.R. Grace reported Wednesday that second quarter sales for 2002 totaled \$473.4 million compared with \$450.3 million in the prior year, a 5.1 percent increase.

Year-to-date, Grace reported sales of \$886.9 million, a 4.8 percent increase over 2001.

Net income for the second quarter was reported at \$21.2 million or 32 cents per share. This is less than the \$23 million or 35 cents a share reported for the second quarter in 2001.

Sales growth for second quarter 2002 was credited with the company's second quarter performance, said Grace chairman and CEO Paul J. Norris. Net profit performance was adversely affected by continuing expenses for Chapter 11-related matters, he said.

"We expect that the Chapter 11 proceedings will continue to be a source of volatility in our reported earnings over the next several quarters," Norris said.

A trial concerning allegations of fraudulent conveyance related to 1998 transactions involving

Grace companies Cryovac and Sealed Air is scheduled to take place during the fourth quarter of 2002. Net income reflects \$2 million for defense of litigation

related to Grace's former operation in Libby.